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CRISIS IN INDONESIA AND EAST TIMOR

by

DR JOHN G. TAYLOR, [1]

PROFESSOR OF POLITICS,

SOUTH BANK UNIVERSITY,

LONDON.

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[1] John G. Taylor is the author of three books on East Timor, most recently **Indonesia's Forgotten War: the Hidden History of East Timor**, a new edition of which has just been published in **Bahasa Indonesian**. He has also written articles on contemporary Indonesia, and co-edited a work on Social Development in Southeast Asia. He is a regular commentator on East Timor and Indonesia for the BBC World Service Television and Radio. He visits Indonesia frequently, most recently in February of this year

Indonesia is experiencing an economic crisis with profound social implications. At the same time, it is going through a difficult political transition which may result in a more democratic form of government than the authoritarian structures of former President Suharto. Both crisis and transition have created possibilities for East Timor to extricate itself from Indonesian control, organize a referendum on its people's future, and move to the creation of an independent state.
To assess the conditions under which these possibilities can be realised, we need to examine the current crisis in Indonesia and East Timor in some detail.

Indonesia: Economic Crisis
Since the onset of the East Asian currency crisis in mid-1997, Indonesia's economy has contracted dramatically. The stock exchange has lost most of its value, and unemployment has risen rapidly. Investors have left the country, as has capital and many entrepreneurs. Concomitantly much of the country has experienced drought, poor harvests and serious food shortages. The international price of oil has fallen, as have the prices of most of Indonesia's export commodities.[2]. During the early months of 1998 this crisis resulted in widespread social unrest leading to the resignation of Suharto and the emergence of a government which has not yet achieved real legitimacy within the country.
The crisis has had a devastating effect on the poor, as they have faced falling wages, declining employment and dramatic increases in the prices of food and basic essentials. In July, 1997, the World Bank published a study [3] in which it predicted that 48% of Indonesia's population -slightly less than one million people- would be living below the poverty line by the end of 1998. In mid-1998, official statistics gave a figure of 12.4 million unemployed. By the end of 1998, inflation had reached 82.4% over a 12 month period. Recent studies have revised earlier forecasts of poverty levels and emphasised the urban bias of the crisis. The Indonesian Family Life Survey, analysing welfare changes between August/September 1997 and August/September 1998 in seven provinces, concluded that spending in urban areas fell by 34%, with rural declines of 13%. Most recently, a preliminary analysis produced for the Consultative Group for Indonesia [4] suggests that absolute poverty has increased less than the 48% predicted by the World Bank and a 53% figure given in an ILO study of Autumn 1998. It claims that only 14.3% of the population is living in absolute poverty. However it also describes what most analysts have encountered all too frequently since 1997 -families responding to the crisis by working much longer hours for lower wages, with massive shifts from the formal to informal sector, as workers return to village communities, establishing new networks to deal with the economic crisis.
In many areas, deteriorating economic conditions have resulted in worsening health conditions.
For example, during a visit to Tangerang, an industrial area to the west of Jakarta, in February this year, I found that severe cases of malnutrition in pregnant women visiting hospitals in the municipality had increased from a negligible 2 in 1996 to 411 in 1998. Throughout Java, incidence of diseases associated with low incomes and poor living conditions -such as diarrhoea, typhoid, gastritis and tuberculosis- have increased during 1997. Similarly, education has suffered, as families have not been able to afford to send their children to school[5].

Some areas of the country have escaped the worst effects of the crisis. For example, islands or regions exporting agricultural commodities in demand regionally or internationally have benefited from the devaluation of the Indonesian rupiah.[6]
In an attempt to deal with the effects of the crisis, the Indonesian government has agreed stabilisation packages with governments and the International Monetary Fund. These require the usual deregulation, recapitalisation, and reductions in public expenditure. Meeting the latter in a period of declining living standards is proving to be extremely difficult -if not impossible for the present government.

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[2]For details of the crisis, see The International Labour Organisation, **Employment Challenges of the Indonesian Economic Crisis**, Jakarta, June 1998. Also The World Bank, **Indonesia in Crisis**, Jakarta, July 1998

[3]See The World Bank, Jakarta, July, 1998, op.cit, 1. above

[4]Jessica Poppele, Sudarno Sumarto and Lant Pritchett, "Social Impacts of the Indonesian Crisis: New Data and Policy Implications". A Background Note for the Consultative Group for Indonesia Update, Jakarta, January 1998.

[5]Official forecasts of a fall in school enrolments from 78% to 54% have not been realised due largely to a massive financial injection by the World Bank and the Asian Development Bank. Consequently, enrolments have fallen by only 5% during 1998.

[6]For example, during a visit to Bangka island, off the Sumatran coast, in October 1998, I found that the price obtained for one export, shrimp paste, had increased 80% during the first six months of the year.

Indonesia: Political Transition

The onset of the 1997 economic crisis and the failure of the government either to deal with it or to negotiate remedial packages with international organisations led to widespread demands for political change. The Suharto family and its economic and political cronyism were viewed as the main barriers both to economic improvement and political reform. With increasing opposition on all fronts, and the armed forces concluding that the situation was becoming uncontrollable, Suharto was forced to resign on May 21st 1998. He was replaced by his chosen successor, Rudy Habibie, an interim president acceptable to the majority of Jakarta elite politicians as a candidate to oversee the transition to a post-Suharto government Given the widespread calls for both political and economic reform, it was recognised by the elite that such a government would have to be more democratic, transparent and open than the **Orde Baru**.

With the removal of Suharto, a new democratic spaced opened up. Political parties were formalised and established, the tightly-controlled press experienced unprecedented freedom, and regions of Indonesia began to call for greater autonomy. Corrupt officials were removed, and the political structures of the Suharto regime began to disintegrate: Golkar, the ruling party, split into three factions and lost much of its support, and even the Indonesian Armed Forces (ABRI) presented itself as an advocate of reform.

As the old political framework began to disintegrate in 1998, the crucial question was soon raised as to what, precisely, would replace it? Here there was little agreement. Whilst many of the newly emerging political parties argued for an end to the doctrine of **Dwifungsi**, in which the army has both a political and social role, guiding Indonesia through its presence at all levels of society, others focused upon regional issues. Whilst some parties focused on national issues, others put forward regional demands. Parties were created on a partisan basis -presenting Islamic programmes or offering economic advancement for particular groups. Initially proposals for change focused on parliamentary reform -reducing military appointments in the parliament and ensuring that laws would be enacted to lay the ground for genuinely open and free elections for the new parliament. Thus far, only limited progress has been made in these areas.[7] Most political parties have devoted their energies to building up support in preparation for the elections. Less attention has been devoted to political programmes, as leaders argue that change must await the formation of a new government.

Meanwhile, conflicts have developed on several fronts; between regions and the Jakarta government (not only in Aceh and Irian Jaya, but also in less expected areas -Kalimantan, Sulawesi and even the Riau islands); between ethnic groups (most notably between Dayaks and Madurese in Kalimantan); and between religious communities (Christians and Moslems on Ambon); These have been accompanied by attacks on the Chinese population in many of Indonesia's urban areas (most notably during riots prior to Suharto's removal in May, 1998). Fuelled by the deteriorating economic situation, these conflicts have been manipulated by various political groups, pursuing their sectional interests. As Indonesia lurches from one conflict to another, governed by a factionalised Jakarta elite which remains unable to improve living standards in the short-run, the focus is increasingly upon the elections -in the hope that a coalition will emerge with majority support for reformasi and economic change.

East Timor

Post-Suharto developments are seen by most commentators as having had a dramatic effect upon the situation in East Timor. Attempting to distance himself from Suharto, President Habibie initially made what he saw as a conciliatory move, in June, 1998, stating that his government would award a "special status" to East Timor within the Indonesian Republic. When this was rejected by both Bishop Belo and Xanana Gusmao, Foreign Minister Alatas presented new proposals to the U.N.: a "wide-ranging autonomy" for East Timor (excluding control over foreign affairs, defence and finance) accompanied by a reduction in troop levels and the release of Xanana Gusmao, on the condition that integration be accepted. This proposal was similarly rejected, although the Portuguese government stated that it was willing to consider the autonomy proposal as an interim measure, as a means for creating the conditions for a referendum on self-determination.

Meanwhile, within East Timor -as in Indonesia itself in mid-1998- it seemed that the situation was becoming somewhat less oppressive. Analysts suggested that the occupation was becoming too costly for the Jakarta government, given the economic crisis in Indonesia.[8] Certainly, there were reports during this period of soldiers not

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[7]For example, the number of seats reserved for the army in the Parliament has been reduced from 75 to 38, rather than the appointments being abolished, as was demanded by the thousands demonstrating outside the Parliamentary building when this decision was taken in November, 1998.

[8]Indonesian historian Peter Care has estimated that the daily costs of maintaining 20,000 troops in EastTimor is approximately $1 million per day (personal communication with author).

Indonesian political analyst Liem Soei Liong reaches a similar conclusion; see "East Timor: Is Change in the

being paid and going absent without leave. Under these conditions, many East Timorese used this changed situation to organise mass demonstrations in favour of independence. In June and July, 1998, these became daily events, and were followed in August and September by forums discussing policies for independence. Outside Dili and the main towns, however, the situation continued as previously. During the final months of 1998, reports regularly described the killings, torture and arbitrary detention that have been the hallmark of Indonesia's occupation[9]

The Indonesian Government then performed what seemed to many a **volte-face**. On 27th January, 1999, Alatas announced that a meeting of the politics and security ministers had decided that if the East Timorese people were not prepared to accept Indonesia's offer of wide-ranging autonomy, the government would ask a meeting of the Peoples Consultative Assembly[10] (MPR) to be held after the elections to "let East Timor go". At the same time, the Jakarta government moved Xanana Gusmao from Cipinang prison to a private house, enabling him to play an active role in subsequent "consultations" on East Timor. Since January, the government has gone further, agreeing to the holding of a referendum on the autonomy plan, in which all East Timorese will vote. As things currently stand, if the autonomy plan is rejected, then East Timor's political representatives can "petition" the MPR to "let East Timor go". If the MPR agrees to this, then a process of disengagement from the Indonesian Republic can begin. Of course, this scenario ignores the fact that any decision on East Timor's future rests with the United Nations, in discussion with the Portuguese and Indonesian governments. Following the Indonesian announcement, the Portuguese proposed that the UN supervise the referendum, to be held on August, 8th, 1999. The UN has a difficult task: - to organise and oversee a referendum that is acceptable internationally, to the Indonesian and Portuguese governments, and -above all- to the East Timorese.

East Timor: Prospects.

Given the nature of the current crisis -as outlined above- one could conclude that the prospects for East Timor freeing itself from the Indonesia Republic are relatively favourable. Indeed, some commentators have spoken of the country becoming independent by the millennium. In this scenario, Indonesia moves politically to a democratic system with a coalition government agreeing to secession. Opposition internally -particularly from within the armed forces- is weakened, and the costs in economic and diplomatic terms are so high that the arguments for retaining the territory have less and less validity. Support for independence is strengthened by bilateral and multilateral commitments from governments and organisations to assist East Timor's development and capacity building[11]

Twenty- four years of brutal occupation, widespread human rights abuses, and a rigorous military control of people's daily lives are ended as the population votes overwhelmingly in favour of independence. Indonesian Foreign Minister Adam Malik's hollow and broken promise prior to the 1975 invasion that "East Timor will be what its people want it to be" is realised -despite the Indonesian army's best efforts and the deaths of approximately a third of East Timor's population.

However, other outcomes are possible. The situation in Indonesia is highly volatile, and could change rapidly. To analyse this, we need to examine a number of areas.

Political Divisions.

Within the government, support for Habibie's January decision came from important ministers such as General Wiranto, Minister of Defence, and the Economics Minister, Ginandjar Kartasasmita. Apart from this, however, little was said. Not surprisingly, Foreign Minister Alatas was lukewarm, as was General Feisal Tandjung, Minister for Security and Political Affairs.

This exemplified the fact that the impetus for the change was not a general decision, but came from particular groups

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Air?", **TAPOL Bulletin**, London, no.147, July 1998.

[9]For example, in the village of Alas, about 175 k due south of Dili, 44 villagers were killed by Indonesian troops in mid-November.

[10]The MPR determines the general orientation of state policy and elects the President and Vice-President. Well over half its members are Suharto appointees, and GOLKAR, the official party of the government controls most of them. The remaining seats are held by two parties created by the Suharto regime through the forced merger of political parties in the early 1970s, plus 75 ABRI appointees. The membership of the Indonesian Parliament, the DPR, contains 460 members, of which 100 are presidential nominees. Elections in Indonesia have always been controlled and manipulated by ABRI, in alliance with GOLKAR, to deliver overwhelming support for the latter.

[11]For example, the Portuguese Government has offered to finance East Timor, funding an annual budget estimated at more than £100 million for the transition period. See Gen Robinson and Peter Wise, "Lisbon offers to fund East Timor", **Financial Times**, February 26th, 1999.

within the Jakarta elite. Of some importance here has been the liberal wing of ICMI, the Indonesian Association of Moslem Intellectuals, which has provided Habibie with many of his policy advisers since he assumed office -in particular his foreign policy adviser, Dewi Fortuna Anwar, who has influenced a president who previously had no interest in the East Timor issue (other than loyally following the Suharto line). Outside the government, there has been growing criticism of Indonesia's occupation, notably from intellectuals and student groups in the main cities of Java, and this undoubtedly affected Habibie's change of position. He became convinced of the merits of their arguments on the territory as an "economic burden". Most influential, however, was overseas pressure; it seems that Habibie was affected particularly by the Australian government's change of position, from **de jure** recognition of integration to acceptance of the need for a decision on self-determination. The main point from this, however, is that the decision is by no means unanimous within the present government; it has a fragile basis which could easily be broken if events so dictate.

Habibie's decision could not have been made without support from the Armed Forces, or at least from its leading generals. Above all, East Timor has always been an ABRI project. Six days after Habibie's statement, ABRI stated officially that it was ready to leave East Timor, "if its people so wished[12]. General Wiranto also promised a gradual withdrawal of troops. But there is much more to it than this.

Following Habibie's accession to the Presidency, major changes occurred within ABRI, as a result of which, the power of some pro-Suharto factions was undermined. One of the effects of this was that none of the generals now holding key positions has served for any length of time in East Timor.[13] This made Habibie's decision easier, but it does not mean that there is no significant opposition to it within the army. Indeed, Wiranto was accused by other officers of betrayal, and was bitterly criticised by war veterans groups. (It is often forgotten that approximately 20,000 Indonesian soldiers have been killed in East Timor).

With elections to be held in Indonesia on June 7th, 1999, the views of the leaders of the largest parties in contention are clearly important,. Here again, there is support for Habibie's decision, but again it is both fragile and fluctuating. Support for "decentralisation" has come from Abdurrahman Wahid, the leader of (the National Awakening Party), the largest Moslem party. Amein Rais, head of PAN (the National Mandate Party), representing more urban, secular Moslems, has argued for a referendum. Megawati Sukarnoputri, leader of the Indonesian Democratic Party Perjuangan (Struggle), initially denounced Habibie's decision in uncompromising terms, but has since come to accept it, but only if it is the wish of the East Timorese. With the exception of smaller radical parties -such as the People's Democratic Party (PRD), which has supported self-determination for some time- few of the other contenders have made any serious statements on East Timor.[14] We thus have a situation where the main political contenders in the forthcoming elections are offering support which is both qualified and alterable in the face of changed circumstances. Consequently, not only are there political divisions within the government on the East Timor issue, but there are also divisions both within and between the armed forces and the main political parties. Thus, despite the statements made officially by the government, and despite agreements made with the United Nations in the trip-partite talks with the Portuguese Government, there is a possibility that -under changed political conditions- these may be altered or even postponed.

Regional Conflicts

During late 1998 and throughout 1999, there have been ongoing conflicts within Indonesia's regions. Some of these have involved an intensification of movements in opposition to control by the Jakarta government, calling for autonomy and independence from the Indonesian Republic. Most notable of these are in Aceh (North Sumatra) and Irian Jaya (West Papua). Others have resulted from conflicts between ethnic groups -Madurese and Dayak peoples in Kalimantan, Christians and Moslems in Ambon. The Suharto regime engineered a substantial population movement to areas where transmigrants were often unwelcome by the indigenous people, who felt both economically and socially discriminated. The results of these policies are now becoming all too apparent. Furthermore, there is considerable evidence that factions within the military and groups loyal to former president Suharto are manipulating and fuelling these conflicts, in an attempt to prove both that the Habibie regime cannot provide the stability for economic policies to deal with the crisis, and that -more generally- that its policies will result in a growing demand for autonomy, ultimately threatening the break-up of Indonesia. In this context, policies for greater

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[12]Armed Forces Spokesperson Major General Syamsul Ma'arif stated on February 2nd that ABRI was "ready to leave East Timor". If the people want ABRI to leave East Timor, he said, "it will do so".

[13]With the exception of one general, Johnny Lumintang, who served in East Timor. Lumintang is currently Deputy Chief of Staff.

[14]GOLKAR issued a statement offering to "assist government solutions" for East Timor, and supporting Habibie. However it does so on almost every occasion that Habibie makes a statement.

autonomy -or, worse still- independence for East Timor can be presented as the first steps of a domino movement, in which there will be serious repercussions for the Republic, with more and more of its regions demanding greater autonomy. For most Javanese this remains anathema, as can be seen in recent Megawati Sukarnoputri rallies[15], in which the unity of the Republic is primary, and any attempt to question it treasonable. Furthermore, political unity is seen as a crucial prerequisite for economic reconstruction.

Ultimately, Indonesia may become a more federally-based state, with regions that have long been systematically exploited by the Jakarta regime gaining more control over their economic and political affairs. This may involve secession. But, at the moment, the issue of East Timor can still be raised as a threat by example, a view which still has widespread acceptance in Javanese political elites, concerned at growing demands for regional autonomy.

Crisis in East Timor.

The political divisions within Indonesia, the rifts within the armed forces, and the impact of growing demands for autonomy are occurring within a specific context - of an economic crisis with profound social implications. This has obvious dangers: policies for East Timor can be castigated by their assumed linked with particular groups or individuals; they can be altered by the demands of a changed situation; they can be manipulated in the interest of groups seeking political support in Indonesia; the situation on the ground in East Timor can be manipulated and engineered by political and military groups opposed either to the present government or to democratisation. All these dangers make the transition in East Timor extremely difficult and fraught, with -as yet- an uncertain outcome. We can best illustrate this conclusion by contrasting the policies put forward for independence and autonomy in Jakarta with the reality of the situation in East Timor since the January 27th announcement.

Despite all the evidence of massive support for independence amongst the East Timorese population and the restrained , peaceful expression of this support in the months following Suharto's resignation,[16] there has been an increase in both the presence and strength of para-military groups demanding continuing integration with Indonesia,. These groups have intimidated the population, burnt villages, killed individuals and families, and engaged in widespread torture. For example, on Tuesday, April 6th, more than 2,000 people were sheltering in the church of San Antonius in Liquica. They had fled there to escape from the burning of their villages and targeted killing by para-military gangs. The church was attacked by a heavily armed group calling themselves the "Red and White Iron" After the attack -which lasted several hours- 52 people were officially pronounced dead. Human rights investigators from Dili who later visited the site put the final death toll at 300.[17] Similar attacks -although on a smaller scale. have taken place in many areas of East Timor in recent months, and most recently in Dili itself, where paramilitaries have called for a "cleansing" of all those in favour of independence[18] Commentators who have witnessed these attacks have all remarked on how Indonesian troops have either stood aside whilst they took place, have been reluctant to intervene, or -in some cases- have directed the paramilitary forces. During a recent visit to Dili, Irish Foreign Minister David Andrews, witnessing attacks on pro-independence supporters, concluded,: "We saw for ourselves that the army and police were letting this all happen. It is clear that this is an attempt to derail the tripartite peace process"[19] Similarly, reporting the Liquica incident, victims described how the paramilitary gangs were accompanied by regular soldiers of the Indonesian army.

How can we explain this contrast between policy and reality?

The obvious conclusion is that government policy in East Timor is being undermined by military groups created and maintained by ABRI during its occupation of the country. These groups are led either by people who collaborated

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[15]In the rally officially launching her new party, the Indonesian Democratic Party Perjuangan (Struggle). Megawati called upon her supporters to put "national interest" above all else. On East Timor, she stated, "I felt very sad when I heard a statement (from Habibie -J) that our own brothers, the East Timorese, have categorised as the nation's burden...and that this burden will be released by January 1st, 2000. Where is the truth and substance of this statement?

For me, the East Timorese are our own brothers similar to people of other provinces in our beloved country" Speech quoted in "Megawati officially launches PDI Perjuangan", **Jakarta Post**, February 15th, 1998.

[16]Between June and September 1998, huge, well-organised, peaceful demonstrations were held in Dili and the main towns of East Timor. Forums were organised to discuss the need to bring together all sides in arguments over autonomy or referendum, and to assess the economic, and social changes accompanying a political transition.

[17]See John Aglionby, "Massacre that made Liquica a ghost town", the **Guardian**, London, April 14th, 1999.

[18]See Patricia Nunn and David Watts, "Death toll rises as militia seize Timor's capital", **the Times**, London, April 19th, 1999.

[19]John Aglionby, "Militias step up Terror in East Timor", the **Guardian**, London, 19th April, 1999.

with military intelligence, organised by the notorious Kopassus Commandos,[20] or by administrators who have served in the Indonesian administration. They are well armed and funded, and are determined to keep East Timor within Indonesia.. However, these groups are relatively small in number (probably no more than 1,200). To them have to be added the more "informal" (and more brutal) groups set up personally by Lt General Prabowo, Kopassus commander in East Timor during the years after the 1991 Santa Cruz massacre. Adding these groups to the more "formal" paramilitaries gives a total of approximately 2,000 -enough to continually destabilise the situation. Since late last year, it has become clear both that local commanders support these gangs, and that they receive funding from groups within the Armed Forces. As an ABRI spokesman in Jakarta put it recently: weapons are given to the paramilitaries "on loan" and returned after the "job" has been accomplished.[21]

Additionally, during February and March, ABRI increased its recruitment drive for the Wanra or Peoples Resistance -a civilian guard to maintain peace in the territory. To date, 1,000 new recruits have been enlisted into a force already numbering 4,000. Ostensibly established to maintain security, this militia force has become fiercely partisan, either supporting the paramilitary gangs or turning a blind eye to their brutalities.

From this we can conclude not only that ABRI has created a military force which is well-armed and difficult to control, but also that there are those within ABRI who aim both to systematically terrorise people who support independence and to destabilise the situation to such an extent that a referendum becomes impossible. The reasons for this are many: some view it as a denial of everything ABRI has achieved in East Timor, whilst others believe the domino effect. Some senior officers have lucrative economic interests, whilst others still want to hold on to the territory as a training ground. Most importantly, however, there are those who have a more general aim -to use East Timor as further proof of the inability of the Habibie government -and perhaps of future coalitions- to bring stability to Indonesia. A recent statement by former President Suharto in Tokyo is highly revealing in this context: he said: "A climate of violence and fierce competition threatens the fairness of Indonesian general elections in June". Claiming that current conditions in Indonesia make it "ripe for a revival of communism", he concluded: "The people wanted me to quit, and so if that was for the benefit of the country, it was an appropriate thing to do. But the results of this are as you see now".[22] Dangerous political games are being played here, and -as in the past- East Timor is suffering from their results.

Policies for East Timor

Under these conditions, is it possible to map future directions for policies enabling a genuine act of self-determination and a political transition to autonomy or independence for East Timor?

Current demands from East Timor are clear: a U.N. force needs to be sent to the territory as soon as possible, to restrain the paramilitary forces and maintain peace. If this is not done, many now believe that the holding of the August referendum will be prejudiced.. Some have gone further, arguing that the aim of the paramilitaries is not only to prevent the elections, but in the event of their successful implementation, to partition the territory, creating an extensive buffer zone under Indonesian control along the border with West Timor -thereby making continual conflict inevitable. The U.N. has made it equally clear that it is unable to provide such a force, and that -at best- they will provide only a monitoring force for the referendum period. If the situation deteriorates the UN might be prepared to send international monitors to investigate the sources of the violence through close monitoring of conflicts.

Equally unlikely is the deployment of a multilateral force, although it might be possible for governments in the region, and most notably the Australian government to provide a peace keeping force. Currently, however, ABRI would reject this both as an unwarranted interference in its sovereign affairs, and because it would signal the army's inability to control conflicts within Indonesia -an impossible admission.

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[20]KOPASSUS is the elite red beret unit of the Indonesian army. It comprises commandos, selected for special assignments. It is regarded as ABRI's "creme de la creme"

[21]The officer is cited in "Indonesia's Retreat from East Timor", **TAPOL Bulletin,** No.151, London, March 1999

[22]Suharto's comments are cited in a report from Reuters in Tokyo, dated 14th April, 1999.

Alternatively, given Indonesia's precarious economic position and the reliance of the Habibie government on support for Indonesia in its **reformasi** transition, it is possible to put increasing pressure on both government and leading factions of ABRI to control and disarm the paramilitaries. The rationale for this is clear: ABRI created them and controlling them is essential for a transition to which the government is politically committed. Thus, when Madeleine Albright met East Timorese leader Xanana Gusmao in March, she called on the Indonesian government to stop elements of ABRI arming the paramilitaries. It is possible to go beyond this and argue that ABRI's military command send in new troops to control and disarm paramilitaries. They have achieved this recently in areas of Indonesia such as Ambon, in the face of local conflicts manipulated by outsiders, so why is this not possible in the case of East Timor? Currently, Habibie is reluctant to do this. He is reported recently as stating that "We should not interfere: If I want to disarm them (the paramilitaries), oh they get mad. So I say, 'ceasefire', lay down your weapons and work together for self-determination"[23]. This posturing is similar to General Wiranto's visit to East Timor on April 20th, 1999, when he "witnessed" a peace agreement between "pro" and anti-integrationists", in the undoubted knowledge that the former were supported by units in the army which he commands. Habibie is reluctant to pursue the disarmament course because it will mean alienating ABRI generals and sympathetic politicians on whose support he will have to rely for his political future, notably in the pursuit of his continuing presidential aims. In a recent interview, referring to East Timor, he confided "I have no problem with the military; they are professional people and they understand. But, retired ones and some politicians are a problem"[24]To disarm the paramilitaries and move against their supporters in ABRI is not worth the cost politically, as far as the present Indonesian government is concerned.

The policies of governments must aim to change this calculation, to argue that Indonesia created this situation, and irresponsibly "let East Timor go" without any serious discussion or planning for a transition which is at risk from the action of sections of its armed forces. Under present economic and political conditions, governments have a greater leverage over the Indonesian regime than has been the case for many years. Almost all governments in the industrialised countries now support the need for a referendum, and it should be possible for them jointly to influence the Habibie government to restrain the militias. If this can be done, the prospects for a referendum and a successful outcome to a transition period will be greatly enhanced.

Finally, Portugal has a key role to play in this process. Through the tripartite discussions, it can clarify Indonesia's proposals for the autonomy package to be offered to East Timor. It can argue for rigorous conditions for the implementation of the July referendum, and can play a vital role in the transition period, reassuming its former role in the decolonisation process. In 1975, consumed by difficulties in its own transition to democracy, Portugal was unable to stem the process of Indonesian aggression and invasion of East Timor. Now it may be able to return and assist a democratisation process, based upon its own experience of democracy. Indonesia must withdraw, and focus upon the building of its own democratic structures. For this, its occupation of East Timor can only exist as the most negative of examples.

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[23]Habibie's statement is quoted in Paul Tacit, "Timor-Partition", in **Reuters Financial** News Analysis, Sydney, April 20th, 1999..

[24]This interview is also cited in Paul Tacit, op cit, above.